

**IDAHO REAL ESTATE APPRAISER BOARD**  
**Bureau of Occupational Licenses**  
700 West State Street, P.O. Box 83720  
Boise, ID 83720-0063

**Board Meeting Minutes of 10/25/2018**

**BOARD MEMBERS PRESENT:** Paul J Morgan - Chair  
H Scott Calhoun  
Brent Lee Stanger  
B Jane McClaran  
Eric J Brinton

**BUREAU STAFF:** Tana Cory, Bureau Chief  
Dawn Hall, Deputy Bureau Chief  
Julie Eavenson, Administrative Support Manager  
Eric Nelson, Board Prosecutor  
Lori Peel, Investigative Unit Manager  
Maurie Ellsworth, General Counsel  
Cesley Metcalfe, Technical Records Specialist II

**OTHERS PRESENT:** Dan Shively, Certified General Appraiser

The meeting was called to order at 8:28 AM MDT by Paul J Morgan.

**APPROVAL OF MINUTES**

Ms. McClaran made a motion to approve the minutes of August 20, 2018 and September 21, 2018. It was seconded by Mr. Brinton. Motion carried.

**LEGISLATIVE REPORT**

Ms. Cory stated that drafts of the proposed rules are posted on the Board's website and were published in the October 3rd Administrative Bulletin. The postcard approved by the Board was mailed to licensees to provide notification of the proposed rules.

**INTERIM COMMITTEE: OCCUPATIONAL LICENSING & CERTIFICATION LAWS COMMITTEE**

Ms. Cory let the Board know that the interim committee met on October 19, 2018. Reports were heard from the National Conference of State Legislatures (NCSL), the Lieutenant Governor's Office, the Legislative Services Office and the Legislative Budget Office. Topics included veteran and military service members, sunrise and sunset acts, mobility and portability, licensure fees, and board member training and honorariums. Ms. Cory stated that a multi-state consortium was organized last year by the NCSL. It will be looking at items related to licensing and certification laws, and

nationwide alignment. The Committee voted to accept the NCSL's invitation for Idaho to join the consortium. Ms. Cory reviewed the Lieutenant Governor's report with the Board and stated that a new committee has been formed with legislators, board members, multiple department representatives and members of the public to work on recommendations from the report. Ms. McClaran has been asked to serve on the committee. The first meeting will be no later than November 1, 2018.

## **FINANCIAL REPORT**

Ms. Hall gave the financial report, which indicated that the Board had a cash balance of \$695,238.59 as of September 30, 2018.

## **DISCIPLINE**

Mr. Nelson presented a Stipulation and Consent Order in case REA-2018-5. Mr. Calhoun made a motion to approve the Consent Order subject to correction of typographical errors and allow the Board Chair to sign on behalf of the Board. It was seconded by Mr. Brinton. The Board held further discussion for identification of typographical errors. Motion carried.

## **INVESTIGATIVE REPORT**

Ms. Peel gave the investigative report, which is linked above.

The Board discussed alternative methods for Standard 3 reviews. Ms. Peel briefly summarized the current Standard 3 review process for investigations. No action was taken.

## **FOR BOARD DETERMINATION**

Mr. Calhoun made a motion to approve the Bureau's recommendation and authorize closure with an advisory letter in case I-REA-2019-5. It was seconded by Ms. McClaran. Motion carried. Mr. Brinton was recused.

## **BOARD MEMBER TRAINING**

Mr. Ellsworth presented a training session on the role of a regulatory Board and its members.

## **BREAK**

## **OLD BUSINESS**

The Board reviewed the To Do List. Completed items were deleted from the list and discussion was held on Appraisal Management Company (AMC) Registry fee refunds.

Mr. Calhoun stated that he recently discussed the AMC Registry fee refunds with a few AMCs. The AMCs indicated that they received a letter stating the intention to refund the fees, but were unsure if they had received the actual refund. Ms. Cory stated that refunds were issued by the same method in which the original payment was made. For example, if the fee was paid by a credit card, the refund would be issued to the credit card. If there are any companies that believe they did not receive a refund for registry fees paid, please have them contact the Bureau for follow up.

## **PROPOSED RULES**

The comment period on the Board's proposed rules ended October 24, 2018. The Board reviewed a comment from the Real Estate Valuation Advocacy Association (REVAA) in favor of the proposed rules for the 2019 Legislative Session.

## **NEW BUSINESS**

### **PROPOSED LAWS AND RULES**

Mr. Calhoun stated that the Appraisal Subcommittee (ASC) has agreed to provide a progress report of the Board's Appraisal Management Company (AMC) laws and rules for compliance with federal regulations. The review will be during the biennial compliance audit scheduled in April 2019. This will allow the Board the opportunity to submit proposed legislation for the next legislative session, if necessary, to achieve compliance with the federal regulations.

### **IDAHO STATE POLICE FEE CHANGE**

The Board reviewed notification from the Idaho State Police that the fee for fingerprint-based Criminal History Record Information checks will be increasing from \$32.00 to \$33.25, effective January 1, 2019. The Board directed Bureau staff to update all affected applications and forms when the increase takes place.

### **TEMPORARY PERMIT EXTENSION PROCESS**

The Board discussed options for a temporary permit extension process. A written request requiring all information necessary to confirm the extension is for the same assignment is required. Mr. Calhoun made a motion to authorize the Board Chair to review and approve temporary permit extension requests. It was seconded by Ms. McClaran. Motion carried.

### **ASSOCIATION OF APPRAISER REGULATORY OFFICIALS (AARO) TRAINING**

The Board discussed an upcoming Association of Appraiser Regulatory Officials (AARO) Regulatory Training course, scheduled for May 2, 2019, in Denver. Mr. Calhoun made a motion to authorize Ms. McClaran and Mr. Stanger to attend the training. It was seconded by Mr. Brinton. Motion carried.

The Board briefly discussed the Investigator Training courses available and agreed that the Board Chair will continue to work with Bureau Staff to determine when it is appropriate to authorize attendance of Bureau staff.

## **EXECUTIVE SESSION**

Mr. Calhoun made a motion that the Board go into executive session under Idaho Code § 74-206(1)(d) to consider records that are exempt from disclosure under the Idaho Public Records Law. The purpose of the executive session was to consider license application materials. It was seconded by Mr. Brinton. The vote was: Mr. Morgan, aye; Mr. Calhoun, aye; Ms. McClaran, aye; Mr. Stanger, aye; and Mr. Brinton, aye. Motion carried.

Mr. Brinton made a motion to come out of executive session. It was seconded by Ms. McClaran. The vote was: Mr. Morgan, aye; Mr. Calhoun, aye; Ms. McClaran, aye; Mr. Stanger, aye; and Mr. Brinton, aye. Motion carried.

## **APPRAISER TRAINEE/SUPERVISOR REGISTRATION AND EXPERIENCE**

Following in-person public comment from Daniel Shively, the Board reviewed and discussed Idaho State Law and Administrative Rules, past meeting minutes, and the Application for Registered Trainee. Ms. McClaran moved that the Board upholds the requirement that each appraiser who provides a trainee with supervision during a trainee period must complete a Supervising Appraiser Affidavit. It was seconded by Mr. Calhoun. Ms. McClaran amended the motion to include review of the Appraisal Qualifications Board (AQB) supervisor requirements. Mr. Calhoun seconded the amended motion. Motion carried.

## **FORM AND APPLICATION REVIEW**

The Board reviewed an update to the Appraisal Management Company (AMC) renewal form. Ms. McClaran made a motion to approve the revised Appraisal Management Company (AMC) renewal form. It was seconded by Mr. Brinton. Motion carried.

The Board reviewed updates to: the Appraisal Management Company (AMC) Application; the Application for Change of Designated Controlling Person; the Application for Change of Owner or Controlling Person; the Statement of Change of Registered Agent, Registered Office, or Both; the Application for Temporary Practice Permit; the Application for Licensure by Reciprocity; the Application for Licensure by Examination; the Work Product Review Checklist; the Appraisal Experience Log; the Application for Registered Trainee; the Amended Application for Registered Trainee; and the Education Approval Application. Mr. Stanger made a motion to approve the revised forms. It was seconded by Ms. McClaran. After further discussion, Mr. Stanger amended the original motion to accept all changes reviewed, in addition to an amendment to the Application for Registered Trainee to read: each *appraiser*,

rather than each *licensee* who provides you with supervision. It was seconded by Mr. Calhoun. Motion carried.

## **ASSOCIATION OF APPRAISER REGULATORY OFFICIALS (AARO) FALL CONFERENCE UPDATE**

Mr. Morgan, Mr. Calhoun, and Ms. Metcalfe gave an overview of some of the highlights from the AARO Fall Conference in Washington, D.C.

Ms. Metcalfe reported that the Appraisal Management Company (AMC) Registry fee process must be in place prior to June 4, 2020 to maintain compliance with federal requirements. The Appraisal Subcommittee (ASC) will begin auditing Idaho for compliance with the AMC Registry requirements during the 2021 audit. Ms. Metcalfe also shared the results of an informal review of current AMC programs; reported that state level audits of AMCs are not federally required at this time; briefly reviewed the Real Estate Degree Review Program; and informed the Board that The Appraisal Foundation is currently working with the Department of Veteran's Affairs to explore potential pathways for veterans to meet requirements for licensure.

Mr. Calhoun reported that there is a federal requirement preventing any AMC owner from ever having an appraiser credential refused, denied, cancelled, surrendered in lieu of revocation or revoked in any state for a substantive cause. This is a challenge with publically-traded companies that most states handle with an attestation in the application form. Mr. Calhoun also shared that The Appraisal Foundation has a voluntary disciplinary matrix to help state boards apply enforcement action consistently; that Montana uses AMCs in its review process and the problems that could arise from that practice; and that the Appraisal Qualifications Board (AQB) is working on the Practical Applications of Real Estate Appraisal (PAREA) program. The AQB hopes to publish a concept paper by Spring 2019.

Mr. Morgan briefly reviewed four disciplinary courses available as corrective education courses for USPAP violations. This will be added to the agenda for further discussion at the next meeting.

## **CORRESPONDENCE**

The Board reviewed correspondence from a property tax appraiser seeking clarification on experience and educational requirements to become a certified real estate appraiser. The Board directed Bureau staff to respond that all experience must be gained as a registered trainee with a registered supervisor. Once registered as a trainee, ad valorem experience may fulfill a portion of the experience requirement if it is USPAP compliant.

The Board reviewed a request for approval of continuing education hours for a workshop attended by an appraiser. The Board directed Bureau staff to respond that reciprocal approval is granted based on prior approval by the Washington State Real Estate Appraiser Commission.

The Board reviewed a request from a licensee wanting to know if the Board would accept continuing education hours completed one day outside the licensee's 24 month audit period. The Board directed Bureau staff to respond that the Board does not have the ability to override the federal timeline requirement for continuing education of appraisers.

The Board reviewed correspondence for a registered trainee wanting to know if it is possible to test out of some certified residential appraiser qualifying education courses instead of completing the courses, since he has already completed and passed exams for the certified general qualifying education courses. The Board directed Bureau staff to respond that there is no provision based on the Appraisal Qualifications Board (AQB) requirements to test out of qualifying education courses.

The Board reviewed correspondence from a property tax appraiser seeking clarification on trainee experience requirements to become a certified real estate appraiser. The Board directed Bureau staff to respond that all experience must be gained as a registered trainee with a registered supervisor. Once registered as a trainee, ad valorem experience may fulfill a portion of the experience requirement if it is USPAP compliant.

Mr. Brinton left the meeting.

## **EXECUTIVE SESSION**

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Mr. Stanger left the meeting.

Mr. Calhoun made a motion to come out of executive session. It was seconded by Ms. McClaran. The vote was: Mr. Morgan, aye; Mr. Calhoun, aye; and Ms. McClaran, aye. Motion carried.

## **CE COURSES**

The Board approved the following courses:

- A Noble Education - Appraiser Economic Forum
- ASFMRA - ASFMRA 89<sup>th</sup> Annual Convention Day 1
- ASFMRA - Rapid Fire Case Studies 2018

## **APPLICATIONS**

Mr. Calhoun made a motion to approve the following for examination:

901148816

It was seconded by Ms. McClaran. Motion carried.

Mr. Calhoun made a motion to approve the following for examination pending receipt of additional information and review by the Board Chair:

901161951

It was seconded by Ms. McClaran. Motion carried.

Mr. Calhoun made a motion to table the following pending receipt of additional information:

901161595

It was seconded by Ms. McClaran. Motion carried.

**NEXT MEETING** was scheduled for December 10, 2018 at 8:30 AM MST.

## **ADJOURNMENT**

Ms. McClaran made a motion to adjourn the meeting at 1:37 PM MDT. It was seconded by Mr. Calhoun. Motion carried.

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Paul J Morgan, Chair

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H Scott Calhoun

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Brent Lee Stanger

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B Jane McClaran

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Eric J Brinton

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Tana Cory, Bureau Chief